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PROGRAMME PLANNING

Country and intercountry programmes and projects

FIFTH COUNTRY PROGRAMME FOR VENEZUELA

Programme period	Actual resources programmes	US$
1992-1996	IPF net	3 728 000
	Third cycle balance	-
	Cost-sharing resources	21 640 000
	Total	25 368 000

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I. DEVELOPMENT SITUATION, OBJECTIVES AND STRATEGIES

A. Current economic and social situation

1. During the 1970s Venezuela was faced twice with extreme situations. At the beginning of the decade, petroleum revenues increased significantly, but fell dramatically and sharply towards its end. This led to a substantial deficit, both external and fiscal, at the start of the eighties, which was further aggravated by a heavy external debt and the flight of capital. As a result, productive activity declined and, in 1988, the whole Venezuelan economy was in a critical state. This situation set off a general crisis in Venezuelan society which affected practically all sectors.

2. Nevertheless, social indicators showed positive results during the seventies. This was due to the ability of the public sector, supported by initially high petroleum revenues, to distribute subsidies to the entire domestic production sector. Thus, in the human development index (HDI), Venezuela appears in forty-fourth place with an approximate value of 0.848. However, in the 1980s Venezuela's per capita gross national product (GNP) was in the median category. Average schooling scarcely reached 5.3 years, with a percentage of daily caloric intake of 102 per cent, and significant caloric deficiencies among the more vulnerable groups, such as women, children and infants, among whom it rose to 24 per cent. In addition, the gap between men and women persisted, especially in the areas of economic activity and employment, with only 28 per cent of the women in the labour force, 32 per cent of them at the salaried level and 4 per cent at the managerial level. These indicators appear against a backdrop of near equality in the population's male/female ratio.

3. As the result, a fragile social and economic situation exists which affects the largest segment of the population in terms of critically rising poverty levels, declining employment, a drop in real income and a growing inflationary trend. At the same time, the quality and effectiveness of the public institutions deteriorated markedly. From this very critical situation arose the need to implement in-depth reforms in the public sector as well as in the economic system, the social programmes and the utilization of natural resources.

4. Beginning in 1990, the economy showed a positive performance, particularly in the recovery of macro-economic and financial indicators. The gross domestic product (GDP) rose 4.4 per cent in 1990 and 9.2 per cent in 1991 against negative results of -8.3 per cent in 1989; the rate of inflation of 81 per cent in 1989 fell to 36 per cent in 1990 and to 31 per cent in 1991. In 1990, foreign exchange reserves rose to $11.5 billion, of which $7.09 billion were operational. In the same year, the external debt was restructured under very favourable terms which reduced its amount to $19,758,000,000. Nevertheless, serious problems still plague the economy, particularly with respect to the cost of living and the decline of real income.

5. The economic rehabilitation programme on which the general renovation of the country's various structures was based, has revealed the fragility of Venezuela's social conditions, and has even intensified it in some respects. Unemployment rose to 8.0 per cent. Conditions of extreme poverty affect 23 per cent of the population. As a result of these short-term effects, the Government implemented compensatory programmes such as direct subsidies intended to lower the price of the basic food basket in order to ensure consumption. Furthermore, mindful of the fact that there is no economic development without social development, the Government has proposed reforms to improve and modernize public management in the social sector. The environmental question and optimal use and protection of natural resources also have a bearing on this question.

B. National development objectives and strategies

6. Venezuela therefore finds itself at a crossroads in its development, in the process of going from a distribution to a production model. This will require the implementation of a democratic and participatory process, integrated and permanent social programmes, a highly productive and competitive economy and a broad-spectrum environmental awareness.

7. The Government has based its programme, which it calls "The Great Turnaround", and whose basic features are contained in the Eighth National Plan now in progress, on four basic strategies: modernization and decentralization of the State and of the whole public sector, broadening participation through the direct election of governors and mayors and the resulting transfer of powers from the central Government; the development of a production economy through the bolstering of non-petroleum exports, effective substitution of imports, reductions in public spending, the privatization of non-strategic public enterprises, multilateral foreign loans, and increased domestic and international investments; modernization of the social programmes through massive direct subsidies aimed at the population's poorest segments. The development of an integrated social security system and the improvement of public management in this respect; use of the natural resources on an ecologically sound basis and conservation of the environment.

8. Institutional reform of the State, as provided by the Decentralization Act, is the central objective around which the implementation of other projects is formulated and planned, particularly because of the strong influence the State still wields in all sectors of national life. The reform will continue to be based on a process aimed at consolidating decentralization, expanding citizen participation, increasing the transparency of the political system, implementing an in-depth reform of the judiciary, completing administrative reforms and the process of restructuring the enterprises which are considered basic and will therefore remain in the public sector.

9. Equitable social development is one of the basic axes of the State's new structure. It supposes the increased participation of all of society in the

production and consumption of goods and services, a substantial but progressive redistribution of national revenue, a wide-ranging programme of protection and social security, housing, access to education and basic nutrition. These activities are contained in the framework of the Poverty Confrontation Programme.

10. In the economic sector, the central themes are the preservation of a macro-economic balance, expansion of the non-petroleum export sector, the broadening of markets, increasing external and internal investments, optimized use of the conditions resulting from Venezuela's recent adherence to the General Agreement on Tariffs and Trade (GATT), and the development of small- and medium-sized enterprise.

11. Similarly, another fundamental feature of the national development programme is the conservation of natural resources, their optimal and efficient use, both with respect to environmental preservation and as an essential factor contributing to the quality of life and sustained economic growth.

II. EXTERNAL COOPERATION

A. The function of external cooperation

12. As a result of the decline of petroleum prices and of the general economic crisis in the late 1980s, and with the initiation of adjustment and reform programmes, strong pressure built up to obtain the financial means necessary to support the unavoidable structural reforms of the public and economic sectors, and in the social programmes, the preservation of the environment and the use of natural resources. Financial cooperation was mostly channelled through the Inter-American Development Bank (IDB) (90 per cent of the total), since Venezuela, for many years, had not availed itself of the resources of the International Monetary Fund (IMF) or the World Bank. The situation has changed in the past two years, to the extent that Venezuela has now reverted to the status of borrower with the latter institutions. Financial assistance programmes have lately incorporated elements of technical assistance with which UNDP is associated, particularly in the areas of sectoral investments. This system will be used increasingly in the coming years, with strong emphasis on the social sectors such as education, health and infrastructure.

13. In the period covered by the fourth programme, external resources of about $20.0 million were obtained, specifically for technical assistance. France, Italy, Japan and Germany were the countries which made the largest contributions, all related to the sectors of State reform, science and technology and natural resources. The United Nations system contributed an average of $3.5 million annually, including contributions from the United Nations Children's Fund (UNICEF), the United Nations Development Fund for Women (UNIFEM), the United Nations Population Fund (UNFPA), the Food and Agriculture Organization of the United Nations (FAO), the United Nations

Industrial Development Organization (UNIDO), the International Atomic Energy Agency (IAEA), the United Nations Environment Programme (UNEP) and the United Nations Programme for Drug Abuse Control (UNDPDAC). UNDP's share exceeded 50 per cent of total contributions from the United Nations system.

B. Aid coordination provisions

14. The Central Office for Coordination and Planning (CORDIPLAN), through its Sectoral Directorate General for International Technical Cooperation, is responsible for the coordination of technical assistance from all sources. The Directorate develops strategies which enable it to increase international technical cooperation resources, assists sectoral organizations in the drafting of projects which may receive cooperation, promotes horizontal cooperation among developing countries and supports the existing technical cooperation structure within sectoral organizations through a national technical cooperation system.

15. The reduced sums made available for technical cooperation have made it necessary to identify the programmes with more care and to coordinate the sources of cooperation. Continued cooperation depends on the efficient management of resourses and an essential factor in this, the capacity for coordination, has been strengthened through UNDP assistance. Ongoing efforts are therefore made to coordinate the activities of the other United Nations programmes and systems, particularly those represented in Venezuela, such as UNICEF, the United Nations Educational, Scientific and Cultural Organization (UNESCO), the Pan American Health Organization and the World Health Organization (PAHO/WHO), and the Office of the United Nations High Commissioner for Refugees, and to identify the joint programmes funded by various countries and multilateral development banks such as the World Bank and IDB.

III. THE COUNTRY PROGRAMME

A. Assessment of current country programme

16. The fourth country programme initially focused on the following objectives: modernizing the management of the public sector and increasing the efficiency and effectiveness of public investment monitoring; rationalizing the principal sectors of the economy; research and developing technologies, with particular emphasis on the production sector; and cleaning up the environment. The programme received funds from the indicative planning figure in the amount of $5.1 million, including unspent resources from the third cycle and approximately $11.0 million from cost-sharing.

17. The results of the mid-term review again emphasized the relevance and timeliness of the programme's objectives. It also showed the need to expand and alter the objective relating to modernization of the State to ensure the inclusion and democratic participation of civil society. In the same context,

because the Government had to take severe measures to adjust the economy which resulted in high social costs, it became necessary to include in the fourth programme a new objective aimed at assisting the most vulnerable social groups.

18. Development of the State's management capabilities. A process of de-bureaucratization and enhancing the professionalism of public management was instituted. Methodologies were devised for the formulation, appraisal and monitoring of public investment projects in the following eight sectors: industry, tourism, urban and rural housing, education, urban and rural transportation, sewage, drinking water and agriculture; and for the use of a national investment projects bank. Information systems were devised for use in various areas of the public sector. The Central Office for Coordination and Planning (CORDIPLAN) received assistance to develop a performance system for the public production sector and a methodology for the formulation and appraisal of an outline for the Eighth National Plan. In addition, it was provided with policies and management plans for the following areas of the public sector: industry, trade, taxation and social programmes. Similarly, a statistical system was devised for the Ministry of Agriculture and Livestock, and another to update the national accounts of the Central Bank.

19. Since the end of 1990, financial assistance from the Management Development Programme (MDP) has been supporting the President's Committee for State Reform (COPRE), with special emphasis on the process of decentralization and on the transfer of authority to the state and municipal levels.

20. Rationalization of the principal economic sectors. Assistance was provided for the creation of a technological and industrial property information service adapted to commercial, industrial and technological policies through the modernization and reorganization of the Industrial Property Registry. In addition, collaborative work was also done on the draft law establishing the structure of the Industrial Property Institute for the purpose of facilitating the process of industrial conversion. Strategies were devised for a new industrial model including competitiveness studies on aluminium, plastic and grains. A decisive role was played in the Venezuelan Government's negotiations to become a party to the General Agreement on Tariffs and Trade (GATT); this was achieved in 1991. In addition, assistance was given to the National Council for the Development of the Capital Goods Industry in the design of its normative and legal framework to promote activities in that sector.

21. Technological research and development. Assistance was given for the application of technology to obtain improved seeds for various agricultural products, dairy and meat-producing livestock and the use of fertilizers, with promising results. Training was provided in the soil sciences, plant genetics and livestock breeding, and in the administration of integrated agricultural and rural development projects. The Venezuelan Meteorological Service was equipped with instruments enabling it to conduct proper meteorological surveys, new technologies were introduced and the personnel was trained in the use of new meteorological radar systems and a high-resolution photo-satellite receiver. At the Ministry of the Environment, a Department of Agrometeorology

with links to the natural resources sector, and a Flood Alert Centre were created.

22. Environmental sanitation. Assistance was given for the formulation of a Land Management Plan for the Tuy River Basin, where approximately 25 per cent of the country's total population lives, with emphasis on industrial deconcentration, efficient management of the basin and water decontamination.

23. Programmes aimed at vulnerable social groups. Assistance was given to develop an outline of the priorities in attacking extreme poverty and to convert the Ministry for Family Affairs into the Ministry for Social Development. Assistance was also given for a subprogramme specific to this sector and related to technical and financial support for cooperatives, which led to a proposal for a Strategic Plan for Cooperative Development. Assistance was also provided for the national programme for productive housing intended for poor families without stable incomes.

24. Among what may be defined as strong points in the implementation of the fourth programme one must include its high degree of relevance to the objectives of the National Plans for the corresponding period; an increase in the use of the national execution system from 4 per cent in 1987 to 70 per cent in 1991; a substantial increase in the use of the country's human resources; a significant number of operations implemented at lesser cost and in shorter time; effective assistance in negotiating and obtaining international resources from the Governments of Germany, Spain, France and the European Economic Community (EEC); and in obtaining substantial financial resources from sources other than IPF through the system of cost-sharing with the Government, in addition to other funds from the United Nations system. UNDP's effectiveness was thus confirmed as a resource-channelling mechanism for the achievement of development objectives.

25. Some of the weaknesses that stand out in the execution of the fourth programme are: the high concentration of assistance within a few public sector organizations engaged in modernizing and rationalizing management and public investment; the difficulties arising from the introduction of a national modus operandi which, together with the positive effects already noted, also brought the new burden of adapting to procedures and training government personnel in charge of the projects; difficulties encountered in meeting cost-sharing payments due to the country's economic crisis; the difficulties stemming from the incorporation of non-governmental organizations (NGOs) into the private sector in fulfilment of the programme; difficulties, at the beginning, in having project implementation effectively monitored by the specialized agencies of the United Nations system; a lack of policies to promote horizontal cooperation with regard to the country's potential, and insufficient attention to project evaluation procedures.

26. These weaknesses indicate the need for a series of corrective measures on the part of the various parties concerned. Of these, stress should be laid on the need for uninterrupted programming to ensure that the cooperation programmes and the country plans and programmes are compatible; strengthening

coordination between technical and financial cooperation and generating knowledge and data for the use of project coordinators; giving greater specificity to the advisory role of the specialized agencies of the United Nations system in their function as executive and associated agencies; giving closer attention to the schedule of cost-sharing payments for the projects and to the consequences attached to their non-fulfilment; promoting supply and demand for horizontal cooperation and improving coordination of the participation of the public and private sectors in large national projects.

B. Proposals for UNDP cooperation

1. Preparatory procedure

27. In preparing the fifth programme (1992-1996) the national priorities and the Government's programme and strategies were taken into consideration. General Assembly resolution 44/211 of 22 December 1989 and decision 90/34 of 23 June 1990 of the Governing Council of UNDP concerning programme orientation and assessment of the fourth programme were analysed. Working meetings were held with government officials and consultants and the representatives of other organizations of the United Nations system present in Venezuela, and the observations of several other agencies were noted. The process favoured wide exchanges which made it possible to carry out a systematic appraisal of the country's technical cooperation requirements in agreement with its development priorities and the themes of UNDP's programmes, and culminated in the presentation, in September 1991, of UNDP's advisory note and the final draft of the fifth programme which the Government of Venezuela is submitting.

2. UNDP'S cooperation strategy

28. The strategy for the fifth programme will be based on the modalities and experiences of the fourth cycle. Technical cooperation in support of the formulation, design and implementation of the Government's priority programmes will continue to be emphasized. In coordination with other financing sources, UNDP resources will be allocated to the Government's programmes described in paragraphs 8 and 9 above, and will be extended to other priority areas. The cooperation offered by UNDP will be used as a catalyst and will be aimed at strengthening institutions, providing human resource training in new management styles in order to attain development objectives, and also to achieve more efficient use of financial resources obtained through the multilateral banks.

3. Areas of concentration selected for UNDP cooperation

29. It is intended that all UNDP support will be concentrated under a single governing theme aimed at the transformation of the State, which is at the centre of the national development strategy. In the context of this guiding theme, the State's transformation will be organized along four lines of action which, moreover, coincide with global human development goals. They are:

decentralization and modernization of the public sector and broadened citizen participation; social management; the environment and natural resources; and the production sector.

Decentralization and modernization of the public sector and broadening citizen participation

30. National objectives. The State's institutional reform is the Government's central programme around which all other development programmes are organized and articulated. This reform is based on a process aimed at strengthening decentralization and its corresponding transfer of authority from the central Government to the local governments in order to partly alleviate the financial and administrative burden of providing local services; increasing local government budgets by means of larger transfers from the central Government and improved mobilization of state and municipal revenues; promoting efficiency and justice in the delivery of public services; broadening citizen participation via direct elections for governors and mayors; increasing the transparency of the political system; achieving in-depth reforms of the judiciary; completing administrative reforms and the process of restructuring those enterprises which are considered basic and will therefore remain in the public sector.

31. UNDP cooperation will be directed towards supporting actions undertaken by the Government in accordance with the Decentralization, Definition and Transfer of Government Powers Act. It will, specifically, prepare a plan for the distribution of power between the central Government and the other levels of the public sector and for the improvement of professionalism in public management as an instrument of administrative reform. The development and transfer of advanced technologies will likewise be supported in order to strengthen the efficiency and effectiveness of the new concept of government. Assistance will be provided to identify problems and solutions in the organizational and institutional development of states and municipalities. Part of the process will consist of providing assistance to enhance a statistical and informational system both at the central level and at the regional and local levels, which will be essential for the effective use and allocation of resources.

32. Assistance will be given in the central Government's decision-making and follow-up process in coordination with the President's Secretariat and CORDIPLAN. Assistance will also be given to the process of institutional readaptation of the central government organizations which are transferring their functions and participating in the working out of new structures, particularly in the areas of water resources, transportation, culture and housing.

33. There will also be participation in the definition of plans and programmes intended to improve and modernize the judiciary, particularly in the administration of justice; attention and assistance will also be given to adapting the electoral system to the new government model and to providing training to the personnel involved in this process.

34. The impact of UNDP's cooperation can be evaluated to the extent that it will contribute to the decentralization of power from the central Government to the local governments; by the degree of professionalism and use of advanced management technologies attained in public management, at the central level as well as at the level of states and municipalities; by the level of modernization in the administration of justice; and by the changes introduced in the electoral system in conformity with the new state model.

35. Total resources allocated to this line of action amount to $7.85 million, which corresponds to 30.96 per cent of the total. This amount consists of $1.18 million in IPF resources, or 35.39 per cent of the total of IPF and $6.66 million in cost-sharing resources, which corresponds to 34.21 per cent of total cost-sharing.

36. Supplementary cooperation. Actions undertaken by the Government and which are provided for in the Decentralization, Definition and Transfer of Government Powers Act will receive assistance from IDB and the World Bank. With the assistance of the Latin American Centre for Development Administration, the design of a power-sharing plan between the central Government and the other levels of the public sector will come into being, as well as higher levels of professionalism in public management, as a tool for administrative reform.

Social management

37. National objectives. Equitable social development is one of the main themes of the new State structure. It calls for greater participation on the part of the entire society in the production and consumption of goods and services, a substantial and progressive redistribution of the national revenue through the modernization of social programmes, with massive direct subsidies to the poorest segment of the population, a broad programme for the protection and development of full social security, housing, access to education, and to basic nutrition, and the improvement of public management in these areas. These activities are delineated in the poverty confrontation programme.

38. UNDP cooperation is mainly linked to the programme contained in the Government's Poverty Confrontation Programme (PEP). The Ministry for Family Affairs, which is in the course of being transformed into the Ministry for Social Development, in its capacity as programme leader and as the directing body for social programmes, has as its goal to turn past poverty trends around by strengthening social services in the areas of health, nutrition, education and housing, focusing on the improvement of real income for poor families.

39. In addition, the Ministry for Family Affairs will continue to be strengthened in its role as directing body for social policies as it consolidates the established social network and develops programmes for the enhancement of income and living conditions among the most vulnerable groups by stimulating productive and cooperative activities, as well as housing. Linked to the foregoing, assistance will be given to popular cultural activities for the purpose of preserving traditional values.

40. The impact of UNDP's cooperation will be assessed through its contribution to the implementation of the PEP; a decrease in poverty and improvements in the supply of services for health, nutrition, education and housing; and an increase in real income for the poorest families.

41. Resources allocated to this line of action amount to $5.59 million, corresponding to 22.03 per cent of the total. This amount consists of $730,000 in IPF resources, or the equivalent of 21.75 per cent of total IPF, and $5.59 million in cost-sharing resources, which corresponds to 24.48 per cent of total cost-sharing.

42. Supplementary cooperation. The Government depends on UNICEF's participation to implement the PEP and the Expanded Programme for Mothers and Infants, on UNFPA to define the solutions to the problem of early pregnancies, on UNIFEM for programmes for the protection of women and for assistance to teenage mothers, and on UNPDAC for programmes related to the prevention of drug abuse among the young. PAHO/WHO will continue to collaborate on health programmes for vulnerable groups. For some of these programmes, the Government will rely on financial assistance from IDB and the World Bank.

The environment and natural resources

43. The Eighth National Plan emphasizes the need to make efforts in the area of environmental conservation and land management. In addition, it draws attention to the need to strengthen institutional machinery for the prevention and reduction of environmental deterioration through a more rational use of natural resources, and to revise land management policies in order to promote a new balance between its environmental aspects and those of an economic, social and cultural nature. Likewise, the conservation of natural resources, their optimal and rational use, in terms of environmental conservation as much as for their role as an essential factor in the quality of life and sustained economic growth, constitutes another fundamental item of the national development programme.

44. UNDP's cooperation will be extended to the Ministry of the Environment and Renewable Natural Resources for the elaboration and establishment of the appropriate mechanisms, norms and regulations which will guarantee the vigorous and effective implementation of policies governing the exploitation, protection and conservation of natural resources, especially in relation to water resources and drinking water. Assistance will be given to achieve decentralization and social participation in environmental investment decisions and the restoration of deteriorated environmental conditions in the Tuy River Basin and Lake Valencia. Studies are being made to acquire better knowledge of environmental matters as a basis for the sound use of natural resources and their efficient management in the Amazonas Federal Territory. Assistance will continue to be given for the modernization of meteorological information systems.

45. It will be possible to evaluate the impact of UNDP's cooperation through its contribution to the understanding of Venezuela's ecological systems;

through the establishment of machinery, norms and regulations for the protection and conservation of natural resources; and through the level of investments for the restoration of ecological conditions in the Tuy River Basin and Lake Valencia.

46. Total resources allocated to this line of action amount of $6.82 million, which corresponds to 26.91 per cent of the total. This amount consists of $887,000 in IPF resources, or the equivalent of 26.43 per cent of total IPF, and $5.94 million in cost-sharing resources, corresponding to 30.49 per cent of total cost-sharing.

47. Supplementary cooperation. The Government expects to receive financing from the Global Environment Facility (GEF) for studies of the greenhouse effect and from IDB and the World Bank for the development of that sector.

The production sector

48. National objectives. The production sector is essential to the strategy of State reform since its modernization is intended to replace distribution models with a model of sustained productive development. The Eighth National Plan stresses the need to integrate Venezuela into the world market through the radical transformation of its productive infrastructure. The establishment of this programme requires specific policies in several areas, including policies of international trade and export promotion, sectoral policies for industry, agriculture, services and tourism, and policies related to facilitating foreign investment.

49. UNDP cooperation is intended to give impetus to economic growth within the framework of a redefined and modernized productive system. Particular attention will be given to assisting the development of small- and medium-scale industry in the private sector, as well as restructuring basic enterprises in the public sector, and to policies designed to significantly improve the flow and use of investments. To the same end, assistance will be given to the adoption of new technologies, particularly those related to new management techniques in the production sector, which will provide a link with the changes which are being implemented, including sustained participation in international markets and in possible economic integration processes.

50. Particular emphasis will be given to programmes for the support and updating of technical education and for an overall restructuring of education as a basis for the optimal utilization of human resources to develop the productive sector.

51. It will be possible to assess the impact of UNDP cooperation by the extent to which it contributes to increased participation by small- and medium-scale private sector industries to national output; by the number of basic enterprises in the public sector which have embarked on a restructuring process; by an increased flow of investment to the production sector; by the introduction of new technologies; and by the modernization of technical education for the production sector.

52. Total resources allocated to this line of action amount to $42.56 million, which corresponds to 10.10 per cent of the total. This amount consists of $551,000 in IPF resources, or the equivalent of 16.41 per cent of total IPF and $2.01 million in cost-sharing resources, corresponding to 10.33 per cent of total cost-sharing.

53. Supplementary cooperation. This sector receives assistance from various sources. Through UNDP/UNIDO/ADF (Andean Development Corporation) regional projects, assistance will be given to activities aimed at developing industrial policies and strategies related to facilitating foreign investment. Through its regional programme for industrial automation of the capital goods industry in Latin America, UNIDO fosters the development of the capital goods industry by the timely and programmed introduction of industrial automation technologies, strategic management and global quality control. The World Bank will participate by providing the research necessary for the industrial reconversion process in the development of certain types of industries and in the creation of information systems linked to that process. IDB and the World Bank will provide assistance to improve the supply and quality of non-traditional agricultural products, services and marketing and also international negotiation capability. With Venezuela's adherence to the technological information pilot system as a regional centre, assistance will be given for the dissemination of technological and scientific information as well as information about commercial opportunities, which will help in the transformation of the productive infrastructure.

C. Cooperation not included in selected areas of concentration

54. Almost all UNDP resources allocated during the last year of the fourth programme are related to the four lines of action of the fifth programme. Only two projects, which will conclude their activities during the first year of the fifth programme, will remain outside these lines of action: preservation of the cultural heritage and application of nuclear technologies to agriculture.

D. Delivery and management plans

55. CORDIPLAN will be responsible for the coordination, formulation, monitoring and apprisal of the programmes and projects subject to UNDP cooperation and, to the end, will be assisted in these functions by the Office of the Resident Representative. In addition, the Resident Coordinator will function as coordinator of the United Nations system in Venezuela in order to achieve the integration and cohesion of the cooperation sponsored by the United Nations.

56. While the strategy and themes selected cover the whole period of the fifth programme, an analysis will be made during the third year to evaluate its effectiveness and the required adjustments will be made, if necessary, since there will be a change in the Government in 1994.

57. Available IPF resources will be used in accordance with the priorities established in the fifth programme. Under these terms, the basic system for the elaboration of programmes and projects will be that of cost-sharing, with a 6 to 1 ratio between the Government's contributions and those of UNDP. In this way, the seed-money potential of UNDP contributions, with their catalytic and mobilizing effects, will be multiplied. Therefore, the goal for this cycle is to reach the sum of $25 million.

58. A special effort will be made to use the potential of the country's human resources in order to increase self-sufficiency and the use of national expertise in carrying out the projects. Use will be made, when necessary, of the specialized agencies of the United Nations system, preferably functioning as associated agencies. Technical cooperation among developing countries (TCDC) will be encouraged. The participation of other elements of civil society and possibly of the NGOs will also be fostered. As a supplementary mechanism, management service agreements will also be used, where appropriate, for the implementation of agreements with the multilateral development banks linked to the lines of action of the fifth programme.

59. Cooperation efforts will be concentrated on areas connected with the selected lines. Assistance will be given for unprogrammed areas only insofar as it does not involve diversion of any of the funds allocated to priority areas. Also, the appropriate cooperation requests will have to be self-funded through the mechanism of cost-sharing or management service agreements.

Annex I

FINANCIAL SUMMARY

I. ESTIMATED RESOURCES (IPF + COST-SHARING) TAKEN INTO ACCOUNT FOR PROGRAMMING

(Thousands of dollars)

Fourth cycle IPF balance	-	
Fifth cycle IPF	3 728	
Subtotal IPF		3 728
Project cost-sharing (Government)	21 640	
Project cost-sharing (third party)	-	
Programme cost-sharing	-	
Subtotal cost-sharing		21 640
TOTAL		25 368

II. RESOURCE ALLOCATION (IPF + COST-SHARING) BY AREA OF CONCENTRATION

Area of concentration	IPF	Cost-sharing	Total	Percentage of total resources
Decentralization and modernization of public sector	1 188	6 665	7 853	30.96
Social management	730	4 860	5 590	22.03
Environment and natural resources	887	5 940	6 827	26.91
Productive sector	551	2 012	2 563	10.10
Subtotal	3 356	19 477	22 833	90.00
Unprogrammed reserve	372	2 163	2 535	10.00
TOTAL	3 728	21 640	25 368	100.00

III. SUPPLEMENTARY ASSISTANCE FROM OTHER SOURCES

(Thousands of dollars)

A. UNDP-administered funds		
Special programme funds	405	
UNCDF	-	
UNSO	-	
UNIFEM	300	
UNRFNRE	-	
UNFSTD	-	
Subtotal		705
B. Additional United Nations resources		
JCGP participating agencies		
UNFPA	250	
UNICEF	-	
WFP	-	
IFAD	-	
Other United Nations agencies (non-UNDP funded)	-	
Global Environment Facility (GEF)	2 000	
Subtotal		2 250
Total supplementary resources and other United Nations resources		784
C. Resources outside United Nations system		-
TOTAL		3 739

Annex II

PROGRAMME MATRIX

Priority themes a/

	Area of concentration	Eradication of poverty and grass-roots participation	Management of environment and natural resources	Management development (MDP)	Technology transfer and adaptation	Women and development
1.	ECONOMY AND PRIVATE SECTOR					
	Small- and medium-scale industry	*		*	*	
	External trade			*	*	
	Business management			*	*	*
	Technical education	*		*	*	*
2.	SOCIAL DEVELOPMENT					
	Improvement quality of life	*	*		*	*
	Strengthening of institutions	*	*	*		*
3.	STATE REFORM					
	Decentralization		*	*		*
	Organizational development of States and municipalities	*	*	*		*
	Strengthening of institutions	*		*		
	Improvement of public services	*		*		
4.	ENVIRONMENT					
	Legislation and regulation	*	*			
	Environmental restoration and conservation	*	*		*	*
	Development of natural resources	*	*		*	*

a/ Asterisks indicate principal connections only.